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## 2002 Decisions

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## Opinions of the United States Court of Appeals for the Third Circuit

7-25-2002

## Hruban v. Steinman

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NOT PRECEDENTIAL

UNITED STATES COURT OF APPEALS  
FOR THE THIRD CIRCUIT

No. 01-2277

JOSEPH J. HRUBAN,

Appellant

v.

BARRY F. STEINMAN

ON APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF PENNSYLVANIA

(District Court No. 00-CV-04285)  
District Court Judge: Honorable Eduardo C. Robreno

Argued on June 24, 2002

Before: BECKER, Chief Judge, ALITO and AMBRO, Circuit Judges.

MICHAEL K. CORAN (Argued)  
MICHAEL A. IACONELLI

Klehr, Harrison, Ha

Ellers, LLP  
260 South Broad Street  
Philadelphia, PA 19102

Counsel for Appellant

MERRILL G. DAVIDOFF  
ERIC L. CRAMER (Argued)  
JENNA MACNAUGHTON-WONG  
Berger & Montague, P.C.  
1622 Locust Street  
Philadelphia, PA 19103

Counsel for Appellee

OPINION OF THE COURT

PER CURIAM:

In this appeal, Joseph Hruban challenges the decision of an arbitration panel of the

National Association of Securities Dealers to award Barry Steinman over \$1 million for his claims arising under Pennsylvania's Wage Payment and Collection Law, 43 Pa. Stat.

260. The District Court denied Hruban's complaint seeking to upset the arbitrators' award. Under the deferential standard by which this Court must review the arbitrators' decision, we affirm.

The facts of this case are well known to the parties. Because we write only for their benefit, we will not belabor the factual and procedural background. This Court exercises plenary review over the District Court's grant of Steinman's motion under Fed. R. Civ. P. 12(b)(6) to dismiss Hruban's complaint.

We review decisions of an arbitration panel under a highly deferential standard. The grounds upon which this Court may vacate an arbitration award are "narrow in the extreme." *Amalgamated Meat Cutters & Butcher Workmen of N. Am., Local 195 v. Cross Brothers Meat Packers, Inc.*, 518 F.2d 1113, 1121 (3d Cir. 1975). It is not the proper role of the court to "sit as the [arbitration] panel did and reexamine the evidence under the guise of determining whether the arbitrators exceeded their powers." *Mutual Fire, Marine, & Inland Ins. Co. v. Norad Reins. Co., Ltd.*, 868 F.2d 52, 56 (3d Cir. 1989). In particular, Hruban invokes three grounds for vacatur recognized in prior Circuit precedent: (1) the panel exceeded its powers, (2) the panel displayed a manifest disregard of the law, and (3) the panel's decision was contrary to public policy.

First, to determine whether arbitrators exceeded their powers, this Court has employed a two-step analysis: (a) the form of the award must be rationally derived either from the agreement between the parties or from the parties' submission to the arbitrators, and (b) the terms of the award must not be "completely irrational." *Mutual Fire*, 868 F.2d at 56. A second possible ground for vacatur is "manifest disregard of the law." *Kaplan v. First Options of Chicago*, 19 F.3d 1503, 1520 (3d Cir. 1994); see also *First Options of Chicago v. Kaplan*, 514 U.S. 938, 942 (1995).

Third, to warrant vacatur on public policy grounds under our prior cases, the arbitration award must "violate[] a 'well-defined and dominant' public policy, which we must 'ascertain[] by reference to the laws and legal precedents and not from general considerations of supposed public interests.'" *Exxon Shipping Co. v. Exxon Seamen's Union*, 993 F.2d 357, 360 (3d Cir. 1993) (quoting *W.R. Grace & Co. v. Local Union 759, Int'l Union of Rubber Workers*, 461 U.S. 757, 766 (1983)). See also *Buckhannon Bd. and Care Home, Inc. v. West Virginia Dept. of Health & Human Res.*, 532 U.S. 598 (2001).

Under the standard of review we are bound to follow, Hruban fails to establish any grounds for vacatur. However, Hruban urges this Court to "change the standard of review." Appellant's Br. at 60. Hruban argues for a broader standard to allow "greater judicial involvement in the review process relating to arbitration awards." *Id.* at 59. In light of the relevant precedents of the Supreme Court and this Circuit, we decline to adopt the broader standard of review Hruban advocates. We affirm the District Court's decision and sustain the arbitrators' award to Steinman.